

## Gas rate request faces challenges

By MEG CADY

[mcady@thespectrum.com](mailto:mcady@thespectrum.com)

CEDAR CITY — A request to lower gas rates for about two dozen Southern Utah communities could cause most residents of Iron and Washington counties to see an increase in their Questar bill.

Chad Jones, Questar spokesman, said the communities making the request are paying an additional \$16 to \$30 a month more as part of a "loan." The extra charge reimburses the company for extending service to their area.

Rob Adams, director of Beaver County Economic Development and unofficial leader for the request, said he started the process in late 2004 because the extra gas rate cost Beaver County new business.

"It creates an uneven playing field," he said.

Adams said his request is for these communities to be treated like any other Questar customer.

"There's nothing strange about it," he said. "This is a consumer issue for rural residents."

Jones agreed it's typical for all customers to share the cost of new service lines.

"If you build a new house ... everybody helps bring you online," he said.

Questar charged the extension area service rate because these communities were such a large investment up front; it didn't make economic sense to bring them into service, Jones said.

The rate brings in \$1.7 million a year. If that is spread to Questar's 833,000 customers, the residents of those communities would see a \$16 to \$30 decrease, and then all customers would see a 19 cent increase.

"It's just spreading the cost. The concept behind it, to us, seems fair," Jones said.

He added it doesn't make a difference to the company, which will collect the same amount of money either way.

"It's not our proposal. We're revenue neutral," he said. "We don't have a dog in this fight. It's really put up by those communities."

Most of these communities have paid 15 years of the 20-year EAS rates.

Adams said these rural residents and businesses will pay a lot of money in the remaining five years and could lose out on a lot of growth and its benefits.

"In this day and age, that's an eternity," he said.

Residents of Cedar City and St. George already paid their part for extending services down Interstate 15. Jones said Questar charged a General Service South rate of an extra 10 percent for 10 years to cover service costs.

To those who would argue they don't want to subsidize these rural communities, Adams said the residents paid taxes that built common infrastructure like I-15.

"That's just the way it is to run a society," he said.

The proposal must receive approval from the Utah Public Service Commission.

The Division of Public Utilities, which represents utilities and its customers in PSC cases, has given its support along with Questar.

But Adams ran into problems with the Committee of Consumer Services, who believes this should go into a full-blown general rate case.

"We've been working on this since late 2004 and I'm not gonna wait for a full-blown rate case," he said emphatically.